

REMARKS

By this Amendment, Applicants have cancelled claim 127. Accordingly, claims 89, 92-93, 95-99, 102-103, 105-108, 138-140, 144-151 and 153-158 are presently under consideration.

Section 101 Rejection

Applicant disagrees with the Examiner's rejection of the pending claims as directed to non-statutory subject matter. 35 U.S.C. §101 provides that "whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof may obtain a patent therefore...." Each of the pending claims is directed to either a process or article of manufacture, and therefore meets the requirements of Section 101.

The Examiner's position that the claims failed to satisfy §101 because they fail "to recite any technological implementation," is without merit. As the Court stated in State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d, 1368 (Fed. Cir. 1998):

The plain unambiguous meaning of §101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35 ... The repetitive use of the expansive term "any" in §101 shows Congress' intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in §101. Indeed, the Supreme Court has acknowledged that Congress intended § 101 to extend to "anything under the sun that is made by man." Thus, it is improper to read the limitations into §101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. State Street, 149 F.3d 1372-1373 (emphasis applied, citations omitted).

Contrary to the Examiner's assertion, the Federal Circuit's decision in State Street makes clear that there is no "technological implementation" requirement in §101. The only requirement is

that the claim fall into one of the enumerated categories (which the present claims clearly do), and that they meet the utility requirement (discussed below.)

Turning to the utility requirement, the Federal Circuit found that the “Hub and Spoke” software that was the subject of the State Street decision met the utility requirement of §101, because, the software admittedly produced a “useful, concrete, and tangible result.” The usefulness of the result was not diminished by the fact that the result was “expressed in numbers such as price, profit, percentage, cost, or loss.” See State Street, at 1375. Like the invention in State Street, each of the claims in the present application produce a useful, concrete, and tangible result - - namely the controlled extension of an auction closing time.

Finally, as a result of the State Street decision, there can be no question that business methods - - such as those claimed in the present application - - meet the requirements of §101. In rejecting any “business method” exception to §101, the Federal Circuit stated as follows:

As an alternative ground for invalidating the ‘056 patent under §101, the Court relied on the judicially-created, so-called “business method” exception to statutory subject matter. We take this opportunity to lay this ill-conceived exception to rest. Since its inception, the “business method” exception has merely represented the application of some general, but no longer applicable legal principle, perhaps arising out of the “requirement for invention” – which was eliminated by §103. Since the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as applied to any other process or method. State Street, 149 F.3d at 1375.

Thus, for the reasons set forth above, applicant respectfully submits that the Examiner’s rejection of the present claims under §101 is without merit, and should be withdrawn.

Section 112 Rejection

In response to the Examiner's rejection of claims 89, 92, 93, 95-99, 102-103, 105-108 under 35 U.S.C. § 112, paragraph 2nd, for indefiniteness, Applicant notes that independent claims 89 and 99 have been amended in a manner that ties steps (a) and (b) together with the requirement that the sponsor and participating bidder(s) be electronically coupled. As a result of these amendments, Applicant submits that the Examiner's rejection of the claims under 35 U.S.C. § 112, paragraph 2nd, has been overcome.

Section 103 Rejection

Applicant also disagrees with the Examiner's rejection of the pending claims for obviousness in view of Newsbyte and Ervin. Each of the independent claims in the present application require the extension of the auction closing time in response to receipt of a behind market bid. The Examiner has admitted that neither Newsbyte nor Ervin individually teach the use of a behind market bid to trigger auction overtime. That is because, any auction overtime arguably disclosed in Newsbyte and Ervin, is triggered only in response to receipt of a market leading bid.

The Examiner's suggestion that a person of ordinary skill in art could somehow combine Newsbyte and Ervin (both of which fail to teach a behind market overtime trigger) in order to arrive at an auction where overtime is triggered by a behind market bid strains the imagination. The Examiner's reasoning on this point was as follows:

It would have been obvious to one of ordinary skill in the art at the time of the invention to apply the Newsbyte concept of extending the first closing time using the second closing time which is disclosed for a “seller driven” auction to a “buyer driven” auction (wherein a buyer defines a lot to be auctioned and the buyer desires to buy the item(s) at the lowest price from a plurality of sellers) such that an overtime condition which comprises receiving at least one behind [the] market bid (a bid lower than the lowest bid received during the first closing time) is analogous to the market leading bid (a bid higher than the highest bid received during the first closing time) suggested in Ervin, because extending the auction (first closing time) to a new closing time would allow the auctioneer to continue the auction such [that] it would benefit the entity offering the product or services, i.e., seller in the [the] seller driven auction or the buyer in the buyer driven auction.

Applicant has carefully reviewed this sentence, and, with all due respect to the Examiner, cannot understand the Examiner’s intended reasoning with respect to the obviousness rejection. As best understood, the Examiner’s reasoning is premised on the notion that “receiving at least one behind market bid ... is analogous to the market leading bid.” There is simply no way that a behind market bid is analogous to a market leading bid, as the Examiner suggests. Any argument to the contrary is simply without merit.

In short, since neither the Newsbyte nor the Ervin reference teaches the use of a behind market bid to trigger auction overtime, it is clear that the Examiner has failed to establish even a *prima facie* case of obviousness with respect to the pending claims. Accordingly, it is respectfully submitted that the Examiner’s rejection of the pending claims for obviousness should be withdrawn.

Conclusion

In view of the above, it is believed that all pending claims represent patentable subject matter over the cited prior art, either alone or in combination. Applicants respectfully request the Examiner's consideration and examination of the application and timely allowance of the pending claims.


EXCEPT for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application, including fees under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time, fees, or credit any overpayment to Deposit Account 50-0310.

This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

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